

Vermont Payment for Ecosystem Services and Soil Health Working Group

Summary of Meeting #28: June 7, 2022

More detailed information, including presentation slides and the meeting recording can be found at <https://agriculture.vermont.gov/pes>.

Introduction

The Payment for Ecosystem Services (PES) and Soil Health Working Group held its twenty-eighth meeting on June 7, 2022. The objectives of the meeting were to review and finalize program goals and elements to guide summer work and to discuss an outline for pilot development over the timeline.

Summary of discussion

The Working Group reviewed the most recent version of the program elements and goals document. A key question was whether the program should pay for reaching a threshold for certain quantifiable metrics or improving against certain baseline metrics or a hybrid of the two options. The Working Group generally agreed that a hybrid approach would be the best option because it would incentivize improvement while rewarding farmers who already have high levels of management. The Working Group also noted that technical assistance and linkages with other supportive programs will be important, particularly for early years when performance-based changes will not yet be manifest in changes in measurements. Another point was that the threshold for payments should be sufficiently high (above and beyond the RAPs) to incentivize exemplary performance.

The Working Group also suggested that the pilot development needs to give due consideration for the longer-term intent of the program, particularly since the changes desired by the program would take multiple years to materialize and the farming community expects payments and support to be able to carry out the practices required. Members also raised considerations around whether a program can have the effect of changing or eroding behavior among farmers (many of whom have intrinsic stewardship motivations).

The Working Group also discussed options for incorporating biodiversity into the program elements and goals. Members recommended looking at organic standards as an approach to incorporate biodiversity while keeping land in production. A subgroup will continue to work on developing options for incorporating biodiversity into pilot and long-term program design over the summer.

An additional topic of discussion was “whole farm”. There are two components of whole farm as it has been discussed by the Working Group – 1) whether the program will require that farms enroll all their fields (under the jurisdiction of RAPs) or allow for enrollment of select fields, and 2) whether the program will limit measurements to agricultural fields and edge of field areas or extend beyond to farmsteads and other land types under the farm’s parcel. The Working Group generally agreed that in-soil, above-soil, and edge of field areas should be the focus of the pilot. Members also raised the importance of keeping the pilot program manageable while also having the option to incorporate more elements of ecosystem services for other working lands areas in future years. Another consideration was that allowing farmers to experiment and develop select fields allows new adopters to learn in the

early years. There is also the consideration of adverse selection, a potential solution for which would be to incentivize enrolling more fields (particularly if farms were to submit whole farm maps).

Working Group members also recommended ensuring that eligibility for technical assistance is tailored rather than limited to a select group of farms and reviewing definitions of Historically Underserved Producers and otherwise disadvantaged farmers.

An additional consideration was a communication strategy for the fall once a program proposal has been designed, along with potential points of outreach over the summer. Members also raised the importance of keeping Working Group members (and especially farmers) apprised of program development over the summer.

The meeting was adjourned at 2:00 PM.

Links shared during discussions

1. [Soil Health Characterization in New York State](#)
2. Articles on behavioral changes associated with PES programs (“motivational crowding-out”)
 - a. [Chan et al. “Payments for Ecosystem Services: Rife with Problems and Potential – for Transformation towards Sustainability”](#)
 - b. [Chapman, et al. “A payment by any other name: Is Costa Rica’s PES a payment for services or a support for stewards?”](#)